

**CANBY CITY COUNCIL
REGULAR MEETING MINUTES
May 21, 2025**

PRESIDING: Brian Hodson

COUNCIL PRESENT: Paul Waterman, Traci Hensley, Daniel Stearns, James Davis, Herman Maldonado, and Jason Padden.

STAFF PRESENT: Eileen Stein, City Administrator; Emily Guimont, City Attorney; Teresa Ridgley, Deputy City Recorder; Jamie Stickel, Economic Development Director/Communications Specialist; Monica Stone, Wastewater Treatment Plant Supervisor; Todd Wood, Fleet/Transit/IT Director; Jessica Roberts, Court Supervisor; Lucy Heil, City Prosecutor.

CALL TO ORDER: Mayor Hodson called the meeting to order at 7:00 p.m.

NEW EMPLOYEE INTRODUCTIONS: None.

CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS: Greg Perez, Canby resident, spoke about issues with the City Administrator that needed to be addressed. These issues had created a hostile work environment, and the Council could not continue to ignore it. He also questioned the Finance Director's actions. It was difficult to get public records requests, and he wanted information on the Parks and Recreation Maintenance Fee.

Jim Simnitt, Canby resident, spoke about the Parks and Recreation Maintenance Fee and wanted to know what could be used for park projects.

Mayor Hodson addressed some of the comments made by Mr. Perez.

CONSENT AGENDA: ****Council President Hensley moved to approve the consent agenda which included the minutes of the January 31, 2025, City Council Goal Setting Meeting, and the minutes of the April 16, 2025, City Council Regular Meeting. Motion was seconded by Councilor Maldonado and passed 6-0.**

ORDINANCES AND RESOLUTIONS:

Ordinance 1643 – Spencer Polack, Public Works Operations Supervisor, explained the first phase of the project, the Walnut Street extension.

****Council President Hensley moved to approve Ordinance 1643, AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH DEWITT CONSTRUCTION IN THE AMOUNT OF \$837,720 FOR THE WALNUT STREET SANITARY SEWER HWY99E & RR BORE PROJECT. Motion was seconded by Councilor Padden and passed 6-0 by roll call vote.**

Ordinance 1644 – Heidi Muller, Transit Operations Manager, explained the purchase of the new transit vehicles.

****Council President Hensley moved to approve Ordinance 1644, AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO PURCHASE FOUR (4) TRANSIT VANS FOR CANBY AREA TRANSIT FROM NORTHWEST BUS SALES IN THE AMOUNT OF \$457,876. Motion was seconded by Councilor Maldonado and passed 6-0 by roll call vote.**

Ordinance 1645 – ****Council President Hensley moved to approve Ordinance 1645, AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO PURCHASE ONE (1) TRANSIT BUS FOR CANBY AREA TRANSIT FROM NORTHWEST BUS SALES IN THE AMOUNT OF \$180,796. Motion was seconded by Councilor Maldonado and passed 6-0 by roll call vote.**

Ordinance 1646 – ****Councilor Waterman moved to approve Ordinance 1646, AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO AN AGREEMENT IN THE AMOUNT OF \$60,000 BETWEEN THE CITY OF CANBY AND LUCY HEIL, CITY PROSECUTOR. Motion was seconded by Councilor Davis and passed 6-0 by roll call vote.**

Ordinance 1647 – Monica Stone, Wastewater Treatment Plant Supervisor, said every year staff had to get quotes for this service. The ordinance would allow an exemption to direct award the contract for five years. Every year it would be approved in the budget.

****Council President Hensley moved to approve Ordinance 1647, AN ORDINANCE ADOPTING FINDINGS TO SUPPORT AN EXEMPTION FROM THE FORMAL SELECTION PROCESS FOR A CONTRACT FOR SLUDGE HAULING SERVICES, DECLARING SUCH EXEMPTION, AND AUTHORIZING DIRECT AWARD OF A CONTRACT TO HEARD FARMS, INC. to come up for second reading on June 4, 2025. Motion seconded by Councilor Padden and passed 6-0 on first reading.**

Resolution 1433 – Scott Schlag, Finance Director, and Ashleigh Dougill, Beery, Elsner, and Hammond, discussed the updates to the procurement policy to be compliant with state law and simplify rules.

****Councilor Padden moved to approve Resolution 1433, A RESOLUTION ADOPTING AN UPDATED CONTRACTING AND PROCUREMENT POLICY. Motion was seconded by Councilor Maldonado and passed 5-0-1.**

OLD BUSINESS:

IGA With Clackamas County For Homeless Services Funding – Emily Guimont, City Attorney, said Clackamas County had allocated funds to provide services to extremely low income and homeless to the City and Canby Center. This was an agreement for the City's portion of the funding. The City would also distribute the funds to the Canby Center as grant funds.

There was discussion regarding the unintended consequences of drawing more homeless to the City and what the funds would be used for.

****Councilor Padden moved to authorize the City Administrator to execute the IGA between the City and Clackamas County for homeless services funding. Motion was seconded by Councilor Davis and passed 6-0.**

IGA with Clackamas County Transferring Jurisdiction of Pine Street – Mr. Polack said this was an agreement for the City to take jurisdiction of a portion of N Pine Street. The County would be giving the City \$513,000 for a two-inch overlay and ADA ramps.

****Councilor Padden moved to authorize the City Administrator to sign the IGA between the City and Clackamas County related to the transfer of jurisdiction over a portion of N Pine Street. Motion was seconded by Councilor Waterman and passed 6-0.**

IGA with Clackamas County Relating to the Storm Drainage Maintenance on Portions of SE 1st Avenue, SE 13th Avenue, and Mulino Road – Mr. Polack said this was an agreement for the County to direct developers to build future roads to the City's standards. These were roads the City would take jurisdiction over in the future.

****Councilor Waterman moved to authorize the City Administrator to sign the IGA between the City and Clackamas County related to storm drainage maintenance on portions of SE 1st Avenue, SE 13th Avenue, and Mulino Road. Motion was seconded by Councilor Maldonado and passed 6-0.**

NEW BUSINESS: Council Reserve Policy – Eileen Stein, City Administrator, said the leadership team unanimously agreed to recommend strategic cuts and to avoid reductions in the workforce. This would reduce the reserves to 15%. If the Council wished reserves to remain at 20%, budget cuts would have to be made. Department directors were working on possible cuts and would discuss them tomorrow at the Budget Committee meeting.

There was discussion regarding how this was 20% of operating revenues, beginning fund balance, maintaining the 20% reserve, if the reserve was lowered to 15% there needed to be a plan to get the reserve back up to 20% over a certain number of years, and emails from Ms. Stein regarding the reduction in reserves showing this problem was brought to Council ahead of the Budget Committee meetings.

David Tate, Canby resident, recommended the Council change its reserves policy to match the Government Financial Officers Association recommendation of two months of regular operating expenses or revenues. He questioned the benefit tax payers received from an excessive reserve fund.

There was further discussion regarding concern that reducing reserves and/or cutting the budget should be done now instead of waiting, what was an acceptable reserve fund, priorities for cutting, need for new revenue sources, deciding service priorities, saving money by hiring a City Attorney instead of contracting it out, 5%, 10%, and 15% cuts across all departments, better allocation of labor costs, and how no new positions should be included in the budget.

The consensus was for the reserve fund not to go below 20% and for staff to bring back cuts from all departments with no layoffs proposed. Staff would bring back a resolution to officially memorialize this change.

It was clarified every Department Director would be looking at reducing the General Fund by 12% to get to the 20% reserve.

MAYOR'S BUSINESS: Mayor Hodson congratulated Canby High School Choir and Dance Teams. The second Budget Committee meeting was scheduled for tomorrow and the third would be on May 29.

COUNCILOR COMMENTS & LIAISON REPORTS:

Council President Hensley thanked citizens who had reached out about the loss of her brother.

Councilor Davis expressed condolences to the Police Department for the loss of Sergeant Farmer and Councilor Hensley for the loss of her brother. He congratulated those who won the School Board election. The Parks and Recreation Board received a presentation on impact fees. Dodds Addition park construction would be starting in August/September. He questioned why the Maple Street Park parking and playground structure project had been taken out of the budget. The Board recommended creating a policy for how the Park Maintenance Fee was being spent. There had also been discussion about the Feist Addition property and how it would be used as well as maintaining the railroad property. The Adult Center had closed on their new property.

Councilor Stearns reported on the Canby Utility Board meeting where lack of capacity for big projects was discussed. The Board asked the Mayor to sign a joint letter from Canby Utility and the City encouraging PGE to bring more capacity into their substations. He would also like a report showing where the Park Maintenance Fee was being spent.

Mr. Schlag said some of the years had been purged, but they could track the funds that came in. It was more difficult to track where they were being spent as there were several funding sources for parks.

Councilor Stearns suggested coding the expenditures so they could show what percentage of the funds were being used for what expenses. Mr. Schlag said there needed to be more discussion on how to present the information as the City's software was not that sophisticated.

Councilor Waterman reported on the Library Board where a long-time board member was leaving and interviews were being scheduled for the vacancy. The Library Open House had been a success and there would be a book sale in June as well as a Backyard and Patio Tour fundraiser.

CITY ADMINISTRATOR'S BUSINESS: Ms. Stein discussed the City Attorney costs update and highlighted items in the bi-monthly reports. A new HR Director had been hired and would start on June 30.

CITIZEN INPUT: None.

ACTION REVIEW:

1. Approved the Consent Agenda.
2. Adopted Ordinances 1643, 1644, 1645, and 1646.

3. Approved Ordinance 1647 to a second reading on June 4, 2025.
4. Adopted Resolution 1433.
5. Approved IGAs with Clackamas County for homeless services funding, transferring jurisdiction of a portion of N Pine Street, and storm drainage maintenance on portions of SE 1st Avenue, SE 13th Avenue, and Mulino Road.
6. Directed staff to develop a budget with 20% reserves and come back with a resolution to memorialize the reserve levels.

****Council President Hensley moved to go into Executive Session pursuant to ORS 192.660(2)(b) Discipline of a Public Officer. Motion was seconded by Councilor Waterman and passed 6-0.**

Mayor Hodson read the Executive Session statement and recessed the Regular Meeting at 9:18 p.m. The Regular Meeting was not reconvened.



Teresa Ridgley
Deputy City Recorder



Brian Hodson
Mayor

Assisted with Preparation of Minutes – Susan Wood